

**CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED
COMPANY LIMITED BY GUARANTEE
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED**

31 MARCH 2012



UNW LLP
Chartered Accountants
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

A G Balls CB
M J Whittaker
Dr MJ Nicholds
J Stageman
G Davison
D Cresswell

Registered office

Cooper's Studios
14-18 Westgate
Newcastle upon Tyne
NE1 3NN

Accountants

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St James' Boulevard
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NE1 4JE

Bankers

Barclays Bank plc
City Office
71 Grey Street
Newcastle upon Tyne

Solicitors

Sintons LLP
The Cube
Barrack Road
Newcastle upon Tyne
NE4 6DB

CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2012

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31 March 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company in the year under review continued to be that of supporting economic development of the North East health, healthcare and life science industries. The company is a not for profit entity and limited by guarantee.

FINANCIAL REVIEW

The results for the year and financial position of the Cels group are as shown in the Financial Statements

Cels had been predominantly funded by grants to deliver projects funded from the Regional Development Agency ONE North East, but with the closure of the Agency, this funding source ceased during the year. Following this closure, Cels were required to submit new company Objects and Articles of Association, demonstrating the company's plans to continue to support the Life Science Sector and protect the company's assets, to The Department of Business, Innovation and Skills (BIS) for approval, which was received in October 2011.

As a result of the loss of grant funding support, together with the unit's inability to become self-sustaining within the required time frame, the directors took the difficult decision to close the Nepaf facility in February 2012, with the remaining staff of three scientists being made redundant. After receiving confirmation from BIS of the company's entitlement to sell the Nepaf Assets, those assets were sold in a sealed bid auction in June 2012, raising £250,000 to be applied in accordance with the company's objective.

Cels also continues to participate in a project funded by a grant from the European Framework 7 fund, and receives income from its trading company CBSL. New income streams have been identified which concentrate on leveraging income from enhanced network membership benefit packages, and following the purchase of the assets and liabilities of Bionow Ltd in June 2012, have begun to be realised during the financial year to 31st March 2013. Projects being undertaken with the Nanjing government in China, together with continued business support of regional and national healthcare and Life Sciences companies form additional income streams for the future.

During the year Cels recognised grant income of £1,189k (2011 £1,689k) for the NICII and NEPAF Net projects funded by ONE and £Nil (2011 £40k) income from an FP7 project. In addition, the company also received non-executive director's fees from some of the companies in which it has an equity interest totalling £12k (2011 £17k). Further income generated from some of the activities associated with grant funded projects took total income to £1,314k (2011 £1,965k).

The directors have considered the operations of the company for the forthcoming year and on the basis of the funds currently committed have projected an operational surplus. The directors believe that the company will achieve sufficient incoming resources and reserves to permit it to operate at a minimum of its current level for the foreseeable future. The directors believe it is therefore appropriate to prepare the financial statements on a going concern basis.

CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2012

FUTURE DEVELOPMENTS CELS AIMS AND OBJECTIVES

Our vision sets out the organisation we wish to be

The Cels group will be a leading provider of high value business services to the life science and healthcare sector focused on growth solutions

Our mission statement sets out our aims

We aim to be an organisation that delivers measurable added value to our customers

We aim to deliver public benefit services to grow life science activities in the North East of England and to attract new organisations to the region

The Cels group of companies values its reputation for excellence through the quality of work it delivers on time and within the resource frame agreed

We are committed to

- Delivering excellence
- Supporting life science companies to be the best they can be
- Working with partners to deliver national benefits to the life science community- Investing in excellent staff and products
- Valuing diversity
- Being socially responsible

CELS GROUP STRUCTURE

The Centre of Excellence for Life Sciences Limited (trading as Cels) was formed on 17 December 1999 as Bio Sci North Limited, and on 16 April 2003 was renamed the Centre of Excellence for Life Sciences Limited. Cels was founded as a company responsible for delivering ONE Northeast's strategy to grow and develop the North East of England's health, healthcare and life science economy

On 14 March 2006, Cels, with the consent of the Secretary of State formed Cels Business Services Limited (trading as CBSL) a wholly owned subsidiary company (limited by shares). CBSL was set up in order for Cels to have a vehicle to deliver commercial projects which Cels was legally restricted (through section 5 consents) in its ability to deliver. CBSL distributes 50% of its retained profits over £100,000 to Cels by way of dividend each year. This completes a virtuous circle whereby the trading activities can help to support the public duty activities

On 30 January 2009 the Centre of Excellence for Life Sciences group formed a new wholly owned dormant company Cels Ltd owned by Cels Business Services Ltd, and on 12 February 2009 formed three more dormant companies CBSL Ltd, NEPAF Ltd and Angel Alliance Ltd, wholly owned by Cels Ltd

Following the year end, in June 2012, Cels purchased the assets and liabilities of Bionow Ltd, in order to be able to offer a pan-Northern membership scheme, benefitting all Life Science and Healthcare companies across the North of England and beyond. The company is now trading as Bionow

CBSL performs commercial projects for the public and private sectors, manages regional infrastructure, and holds share holdings in regional life science companies

CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2012

CELS GROUP GOVERNANCE AND MANAGEMENT

The Cels group is headed by an effective Board which leads and controls the group. There is clear division of responsibilities between the Board's responsibilities and those of the executive team. The board receives and reviews on a timely basis operating and financial information appropriate to being able to discharge its duties.

The Cels board consists of 2 (year ended 31 March 2011: 3) non-executive directors and 1 (year ended 31 March 2011: 1) executive director. Following the purchase of Bionow Ltd assets and liabilities, 1 further non-executive and 2 further executive directors were appointed to the Board. The CBSL board consists of 1 (year ended 31 March 2011: 1) non-executive director and 1 (year ended 31 March 2011: 2) executive director.

The Cels board is supported in its governance by the Audit Committee and Remuneration Committee who cover all group companies and report to the main board.

RECRUITMENT, APPOINTMENT AND INDUCTION OF DIRECTORS

Cels appoints new board members through setting up a nominations committee of at least two directors to agree a description of the role of the director and to identify the skills and experience required of the successful candidate; this is followed by regional and national advertising. The nominations committee will shortlist, interview and recommend a candidate to the full board. Alternatively, a vote of the existing board can appoint a new member. The minimum number of directors is 2, and there is no maximum. There is no set term of office. All board members are offered an induction into the Cels group with members of the executive team and training on their role and responsibilities from the Cels group's solicitors.

The Chairman is appointed by the board of directors for a period of three years, after which the Chairman can retire or seek reappointment.

INTERNAL CONTROLS AND RISK MANAGEMENT

Systems and procedures have been established to identify, monitor and manage the risks faced by the Cels group. The board has delegated this responsibility to the Audit Committee who review the Cels group risk register and mitigating actions twice a year. The Cels group also has a disaster recovery plan which is reviewed each year by the Audit Committee.

The most significant risk facing the parent company is the continued funding by the Regional Development Agency, One North East. The company identified this risk and took steps to bring on stream new sources of income. It was also successful in securing final funds from One North East for working capital, which together with the restructuring of the Cels group team to reduce the number of staff, has meant this risk is low for the next year.

The risk of interest rate changes, debt market prices and liquidity has been assessed as extremely low. The company holds small investments in unlisted companies received in exchange for consultancy work. Loans have been made to these companies. The board regularly reviews the value of the investments and recoverability of the loans, however the cash impact of these falling would be minimal.

EMPLOYEE INVOLVEMENT

The Cels group places considerable value on the involvement of its employees. It is committed to developing policies that encourage all employees to achieve their greatest potential and contributing to the success of the group.

The Cels group holds weekly meetings for all employees for

CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2012

- Management to present and address any issues
- Employees to present their area of work
- Employees to ask questions of management
- Continuous improvement of communication between staff and management

Management takes employee involvement and internal communication very seriously, in addition to the above meeting, employees also have regular team meetings, covering areas specific to their roles

EQUAL OPPORTUNITIES AND DIVERSITY

The Cels group recognises the positive value of diversity within the workplace. The group meets its legal requirements and welcomes employees from all community groups.

The Cels group operates equal opportunities in recruitment, training and promotion regardless of gender, ethnic origin, age, religion or philosophical belief, nationality or disability.

The Cels group is committed to make all reasonable adjustment to keep any employee who has become disabled in employment by modifying the work environment or work requirements.

The Cels group ensures that all employees have equal access to training and development, and that career advancement is due to the merit of the individual.

ENVIRONMENTAL IMPACT

The Cels group is committed to continuous improvement in environmental management. The Cels group does this by - Encouraging staff to identify new green initiatives.

- Recognising that compliance with relevant environmental legislation is our minimum level of performance
- Developing staff awareness regarding the impact on the environment of their actions

CORPORATE SOCIAL RESPONSIBILITY

The Cels group encourages its staff to be responsible members of society. During the year, the Cels group supported its staff to volunteer within the region. Examples of this are - School governors-Trustees of local and regional charities in health, research and the environment.

CREDITOR PAYMENT POLICY

The Cels group makes every effort to comply with the agreed payment terms of undisputed creditors' invoices.

DIRECTORS

The directors who served the company during the year were as follows

A G Balls CB
M J Whittaker
Dr MJ Nicholds
C F Higgins DL

(Resigned 1 October 2011)

CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2012

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Registered office
Cooper's Studios
14-18 Westgate
Newcastle upon Tyne
NE1 3NN

Signed on behalf of the directors



DR MJ Nicholds

Director

Approved by the directors on 20 December 2012

CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2012

	Note	2012 £	2011 £
TURNOVER		1,823,970	1,965,280
Administrative expenses		(1,696,347)	(2,047,909)
OPERATING SURPLUS/(DEFICIT)	2	127,623	(82,629)
Attributable to			
Operating surplus/(deficit) before exceptional items		337,155	(82,629)
Exceptional items	2	(209,532)	–
		127,623	(82,629)
Interest receivable		11,550	25,187
Amounts written off investments	5	(25,000)	–
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		114,173	(57,442)
Tax on surplus/(deficit) on ordinary activities	6	512	–
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR		114,685	(57,442)
Balance brought forward		10,299	67,741
Balance carried forward		124,984	10,299

The notes on pages 10 to 17 form part of these financial statements.

CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

31 MARCH 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	7	131,019	775,481
Investments	8	–	25,000
		<u>131,019</u>	<u>800,481</u>
CURRENT ASSETS			
Debtors	9	20,867	443,480
Cash at bank and in hand		184,727	197,294
		<u>205,594</u>	<u>640,774</u>
CREDITORS: Amounts falling due within one year	11	(211,629)	(156,478)
NET CURRENT (LIABILITIES)/ASSETS		<u>(6,035)</u>	<u>484,296</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>124,984</u>	<u>1,284,777</u>
Government grants	13	–	(1,274,478)
		<u>124,984</u>	<u>10,299</u>
RESERVES	15		
Income and expenditure account		124,984	10,299
MEMBERS' FUNDS		<u>124,984</u>	<u>10,299</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)


The Balance sheet continues on the following page
The notes on pages 10 to 17 form part of these financial statements.

**CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED
COMPANY LIMITED BY GUARANTEE**

BALANCE SHEET *(continued)*

31 MARCH 2012

These financial statements were approved by the directors and authorised for issue on 20 December 2012, and are signed on their behalf by



DR MJ NICHOLDS

Company Registration Number 03898306

The notes on pages 10 to 17 form part of these financial statements.

CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

Turnover

Turnover represents net invoiced sales, excluding value added tax, revenue grants received and the release of capital grants.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 25% straight line
Fixtures & Fittings	- 20% and 33 33% straight line
Motor Vehicles	- 25% straight line
Computer Equipment	- 33% straight line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Pension costs

The company operates a defined contribution pension scheme. Contributions to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

1 ACCOUNTING POLICIES *(continued)*

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating surplus.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Deferred grants

Deferred grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

2. OPERATING SURPLUS/(DEFICIT)

Operating surplus/(deficit) is stated after charging/(crediting)

	2012 £	2011 £
Amortisation of government grants	(1,274,478)	(712,041)
Depreciation of owned fixed assets	625,020	712,040
Loss/(Profit) on disposal of fixed assets	4,690	(4)
Auditor's fees	2,500	14,935
Net loss on foreign currency translation	19	130
Exceptional - Inter-company debt written off	259,532	-
Exceptional - Loan write back	(50,000)	-

A loan from Rennervate which had been fully impaired was 50% realised during the year and amounted to £50,000.

CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2012	2011
	No	No
Number of directors	3	4
Number of staff	8	11
	<u>11</u>	<u>15</u>

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	434,931	823,225
Social security costs	43,974	83,761
Other pension costs	34,222	62,566
	<u>513,127</u>	<u>969,552</u>

4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration and other payments in respect of qualifying services were

	2012	2011
	£	£
Aggregate remuneration	46,259	192,696
Compensation for loss of directorship	–	105,295
	<u>46,259</u>	<u>297,991</u>

5. AMOUNTS WRITTEN OFF INVESTMENTS

	2012	2011
	£	£
Amount written off investments	<u>25,000</u>	<u>–</u>

The directors undertook an impairment review of the fixed asset investments resulting in a charge to the profit and loss account of £25,000 (2011 £Nil)

CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

6. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2012 £	2011 £
Current tax		
UK Corporation tax based on the results for the year at 20% (2011 - 21%)	-	757
Over/under provision in prior year	-	(757)
Deferred tax		
Origination and reversal of timing differences (note 10)		
Capital allowances	(221)	-
Other	(291)	-
Total deferred tax (note 10)	<u>(512)</u>	<u>-</u>

Factors affecting current tax charge

The tax assessed on the surplus/(deficit) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2011 - 21%)

	2012 £	2011 £
Surplus/(deficit) on ordinary activities before taxation	<u>114,173</u>	<u>(57,442)</u>
Surplus/(deficit) on ordinary activities by rate of tax	22,835	(12,063)
Expenses not deductible for tax purposes	174,114	150,159
Capital allowances for period in excess of depreciation	(55)	(73)
Utilisation of tax losses	58,295	11,506
Income not taxable for tax purposes	(254,896)	(149,529)
Movement in short term timing differences	(293)	-
Total current tax	<u>-</u>	<u>-</u>

CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

7. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Computer equipment £	Total £
COST					
At 1 April 2011	2,689,631	4,976	10,799	107,891	2,813,297
Additions	–	1,030	–	789	1,819
Disposals	(102,051)	–	(10,799)	(7,157)	(120,007)
At 31 March 2012	<u>2,587,580</u>	<u>6,006</u>	<u>–</u>	<u>101,523</u>	<u>2,695,109</u>
DEPRECIATION					
At 1 April 2011	1,923,826	4,086	10,799	99,105	2,037,816
Charge for the year	615,523	887	–	8,610	625,020
On disposals	(80,790)	–	(10,799)	(7,157)	(98,746)
At 31 March 2012	<u>2,458,559</u>	<u>4,973</u>	<u>–</u>	<u>100,558</u>	<u>2,564,090</u>
NET BOOK VALUE					
At 31 March 2012	<u>129,021</u>	<u>1,033</u>	<u>–</u>	<u>965</u>	<u>131,019</u>
At 31 March 2011	<u>765,805</u>	<u>890</u>	<u>–</u>	<u>8,786</u>	<u>775,481</u>

8. INVESTMENTS

	Shares in Group Undertaking £
COST	
At 1 April 2011 and 31 March 2012	<u>25,000</u>
AMOUNTS WRITTEN OFF	
Written off in year	<u>25,000</u>
At 31 March 2012	<u>25,000</u>
NET BOOK VALUE	
At 31 March 2012	<u>–</u>
At 31 March 2011	<u>25,000</u>

CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

8 INVESTMENTS *(continued)*

The company owns 100% of the issued share capital of the company listed below,

	2012 £	2011 £
Aggregate capital and reserves		
Cels Business Services Ltd	<u>136,771</u>	<u>50,004</u>
Profit and (loss) for the year		
Cels Business Services Ltd	<u>71,796</u>	<u>(74,996)</u>

Under Companies Act 2006 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity

9. DEBTORS

	2012 £	2011 £
Trade debtors	2,856	27,414
Amounts owed by group undertakings	—	365,337
VAT recoverable	2,003	144
Other debtors	15,496	50,585
Deferred taxation (note 10)	512	—
	<u>20,867</u>	<u>443,480</u>

10. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows

	2012 £	2011 £
Included in debtors (note 9)	<u>512</u>	<u>—</u>

The movement in the deferred taxation account during the year was

	2012 £	2011 £
Income and expenditure account movement arising during the year	<u>512</u>	<u>—</u>
Balance carried forward	<u>512</u>	<u>—</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2012 £	2011 £
Excess of depreciation over taxation allowances	221	—
Other timing differences	291	—
	<u>512</u>	<u>—</u>

CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

11. CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	9,665	46,643
Other taxation and social security	7,877	12,050
Other creditors	194,087	97,785
	<u>211,629</u>	<u>156,478</u>

Other creditors include a grant creditor of £12,318 (2011 £57,170) The grant creditor balance represents grant income due from funding providers less grants received

12. PENSIONS

The company operates a defined contribution pension scheme Total pension costs for the year were £34,222 (2011 £62,565) Contributions of £Nil are outstanding at the period end (2011 £Nil)

13. GOVERNMENT GRANTS

	2012 £	2011 £
Received and receivable:		
At 1 April 2011	4,219,614	4,219,614
At 31 March 2012	<u>4,219,614</u>	<u>4,219,614</u>
Amortisation:		
At 1 April 2011	2,945,136	2,233,095
Credit to profit and loss account	1,274,478	712,041
At 31 March 2012	<u>4,219,614</u>	<u>2,945,136</u>
Net balance at 31 March 2012	<u>-</u>	<u>1,274,478</u>

14. RELATED PARTY TRANSACTIONS

Transactions with Arraymed Limited of which MJ Nicholds is a director, The company invoiced Arraymed Limited £2,274 in the year for research work carried out(2011 £Nil)

CENTRE OF EXCELLENCE FOR LIFE SCIENCES LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

15. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and its governing document is its Memorandum and Articles of Association. The directors hold no shares in the company. Each member of the company is a guarantor of the company, to an amount not exceeding £1, in the event of the winding up of the company.

16. POST BALANCE SHEET EVENTS

In June 2012, Cels purchased the assets and liabilities of Bionow Ltd.

In February 2012 the decision to close the Nepaf facility was made. After receiving confirmation from BIS of the company's entitlement to sell the Nepaf Assets, those assets were sold in a sealed bid auction in June 2012, raising £250,000 to be applied in accordance with the company's objectives.